

SYSTEM OVERVIEW

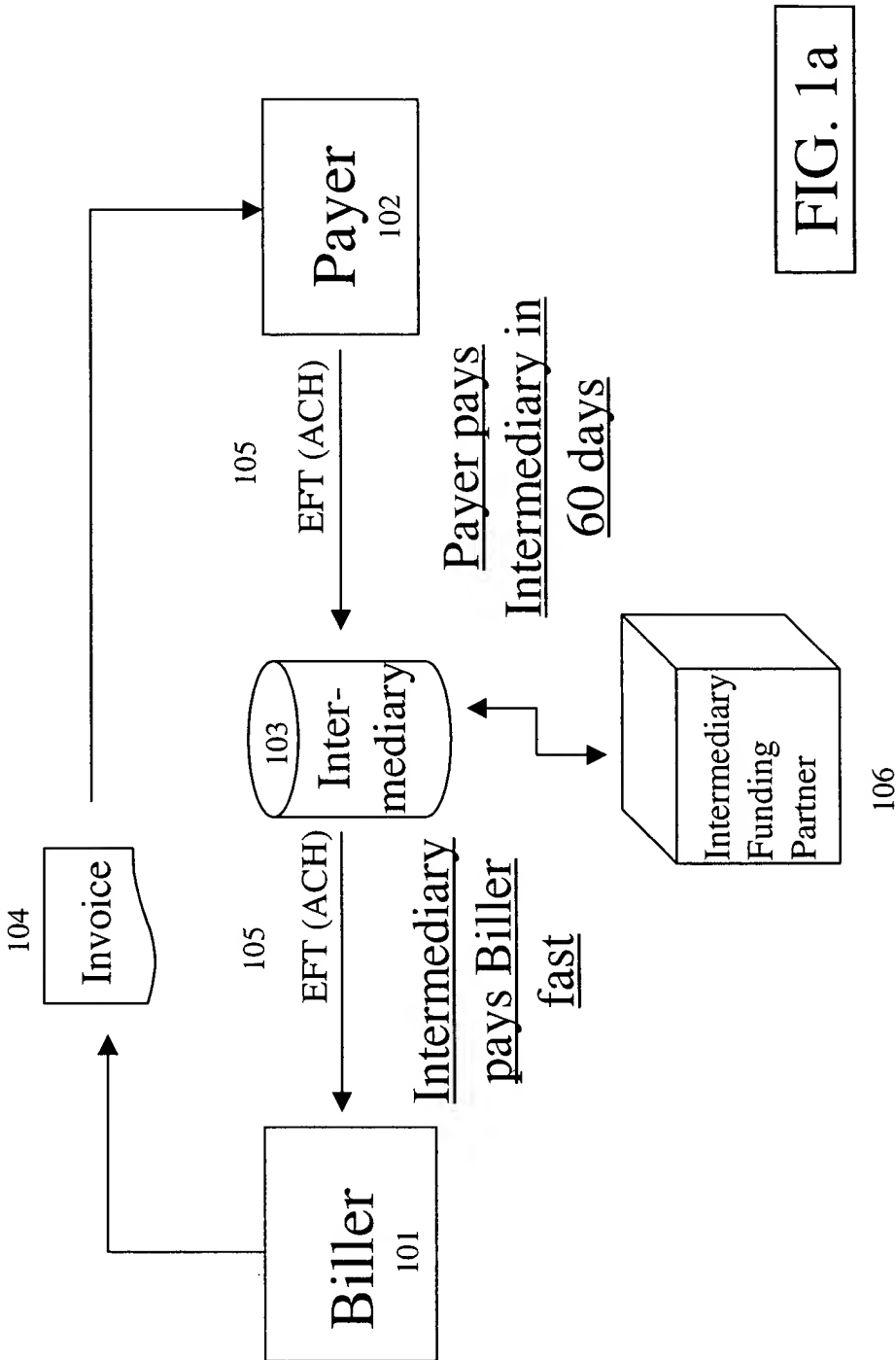


FIG. 1a

SYSTEM OVERALL FLOWCHART

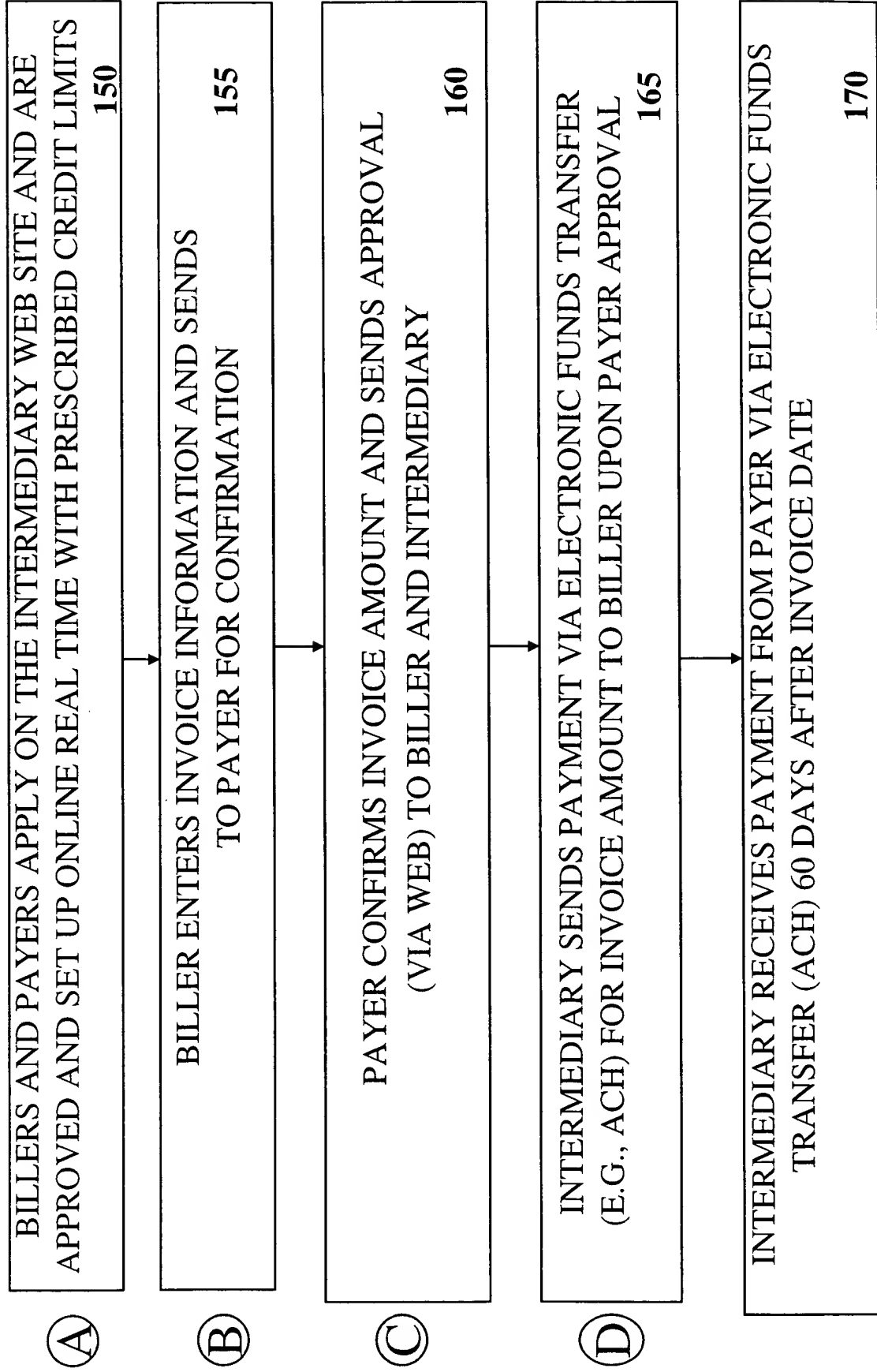


FIG. 1b

A. APPLICATION/SETUP PROCESS (BILLER/PAYER BUSINESSES)

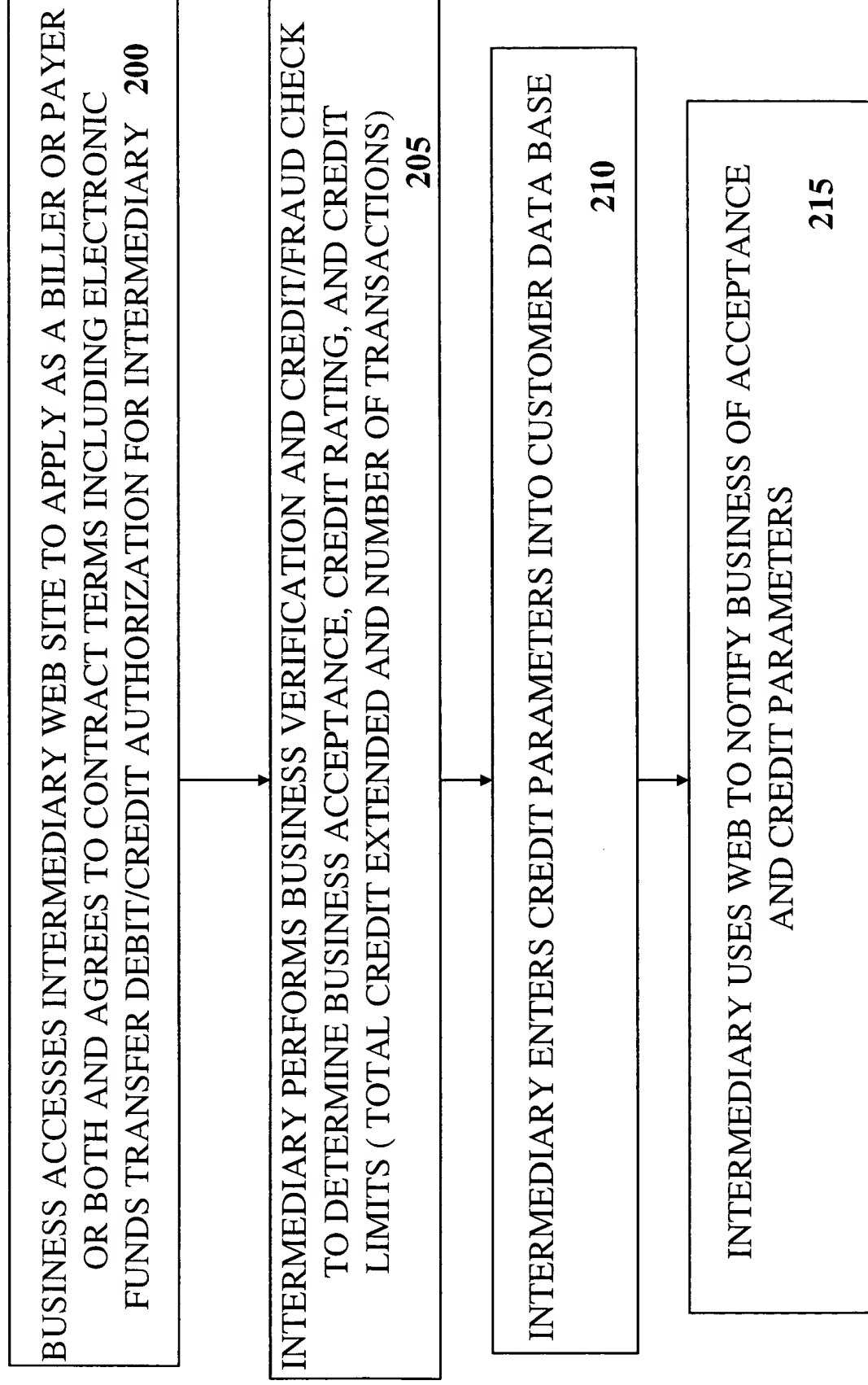


FIG. 2a

A. APPLICATION/SETUP PROCESS (CONTINUED)

THE BUSINESS ACCESSES INTERMEDIARY TRAINING SITE ON WEB FOR
SELF-TUTORIAL TRAINING AND PASSWORD SET UP 220

THE BUSINESS SENDS BLANK VOIDED CHECK TO INTERMEDIARY AND CALLS
INTERMEDIARY CUSTOMER SERVICE 800 # TO CONFIRM BUSINESS USER NAME, PHONE
NUMBER AND BANK ACCOUNT INFO (BIN AND ROUTING NUMBERS) 225

INTERMEDIARY CONDUCTS TEST TRANSACTION TO CONFIRM BUSINESS BANK
ACCOUNT AND COMMUNICATES (EMAIL/FAX/PHONE) WITH BUSINESS
CONFIRMING TEST TRANSACTION IS COMPLETED 230

THE BUSINESS MAINTAINS THEIR ACCOUNT INFORMATION ON INTERMEDIARY WEB
SITE AND INTERMEDIARY COMMUNICATES WITH BUSINESS CONFIRMING CHANGES 235

B

FIG. 2b

B. BILLER INITIATES INVOICE

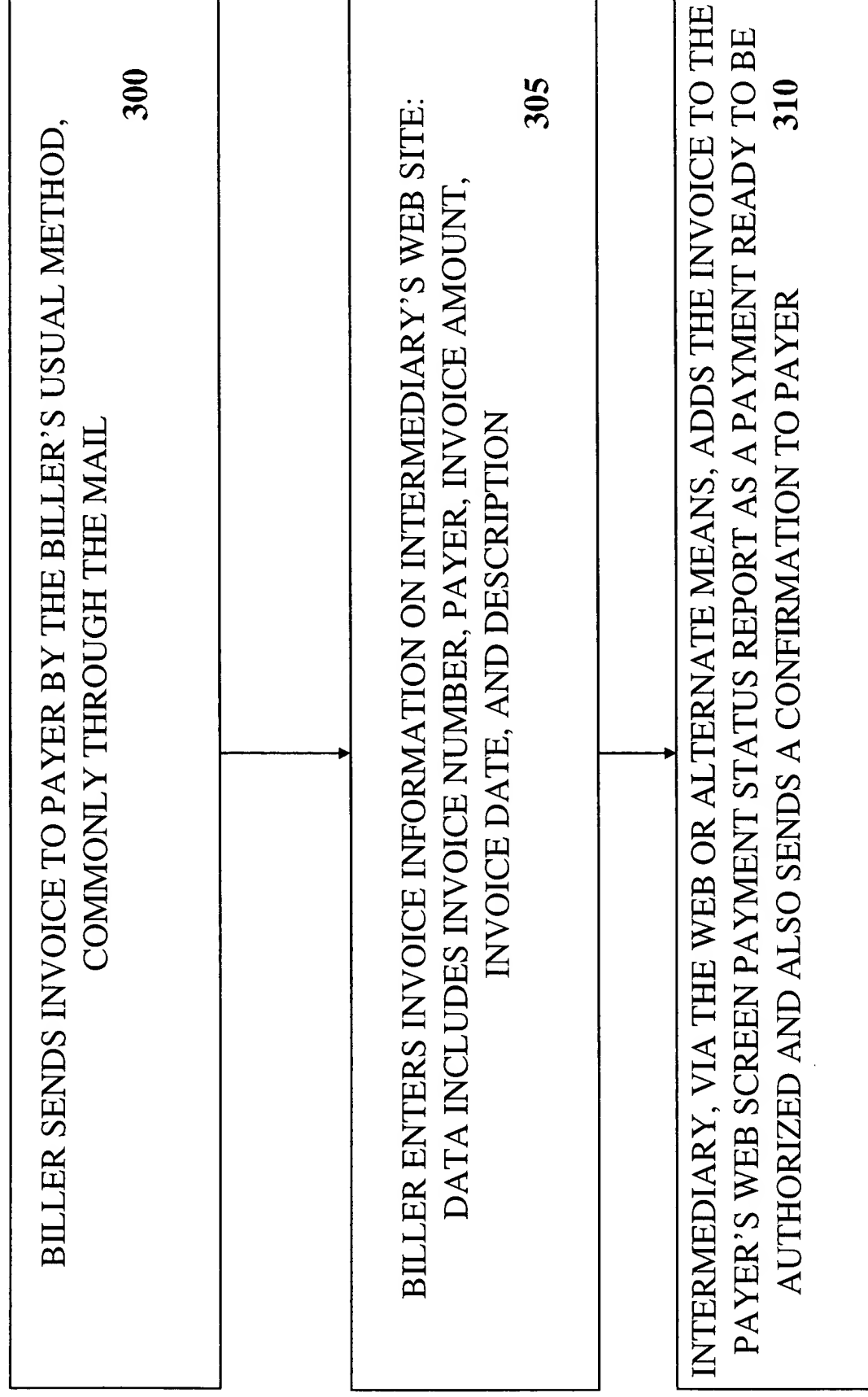


FIG. 3

C. PAYER HAS 4 INVOICE OPTIONS

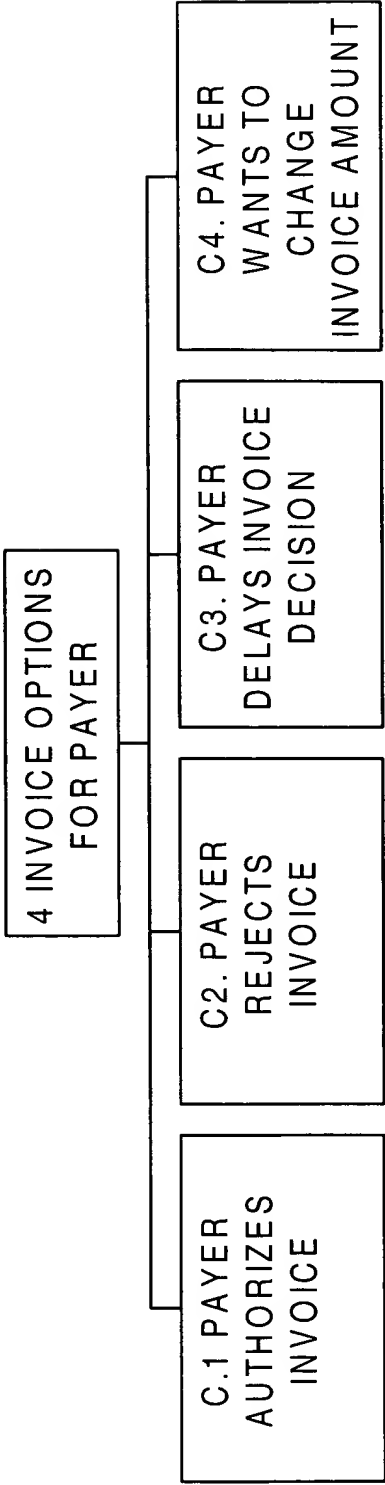


FIG. 4

C1. PAYER INVOICE DECISION: PAYER AUTHORIZES INVOICE

PAYER APPROVES BY CLICKING ON INVOICE APPROVAL BUTTON ON WEB SCREEN.
INTERMEDIARY UPDATES PAYER STATUS ON BILLER'S AND PAYER'S INVOICE
REPORTS ON INTERMEDIARY WEB SCREENS

NOTE: BASED ON A CONTRACT WITH INTERMEDIARY ALREADY SIGNED BY
PAYER, THIS PROCESS RESULTS IN A LEGAL COMMITMENT BY THE PAYER
TO PAY THE INVOICE AMOUNT ELECTRONICALLY SUCH AS
VIA A PREAUTHORIZED ACH DEBIT

400

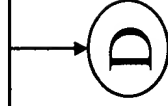


FIG. 4a

C2. PAYER INVOICE DECISION: PAYER REJECTS INVOICE

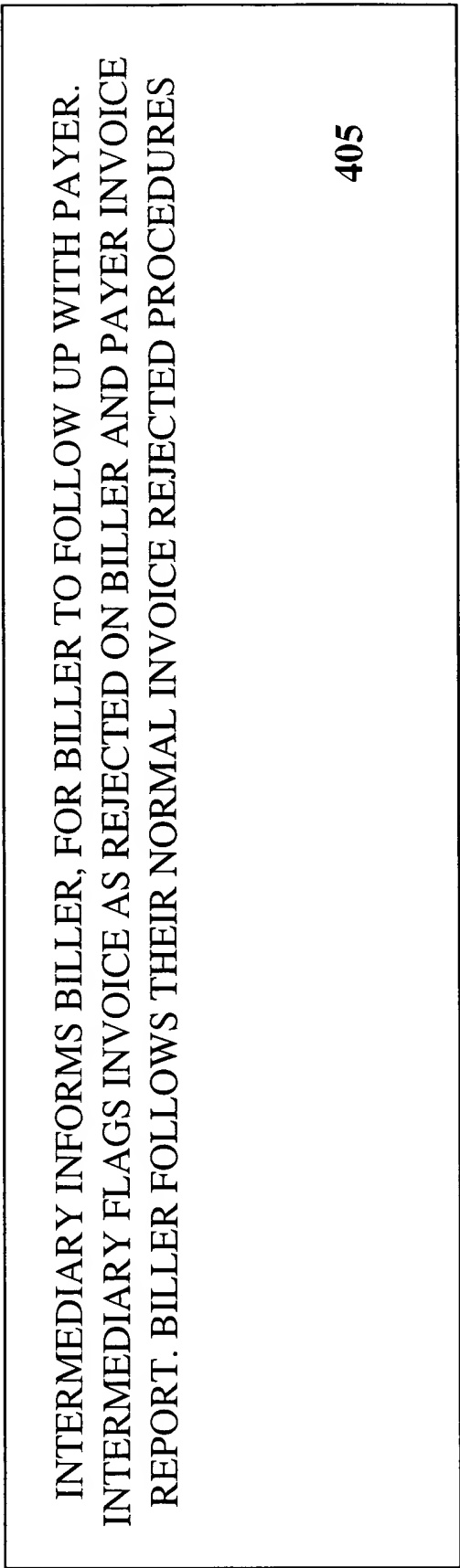


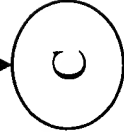
FIG. 4b

C3. PAYER INVOICE DECISION: PAYER DELAYS INVOICE DECISION

INTERMEDIARY COMMUNICATES NOTICES TO PAYER, ON A SCHEDULE
DETERMINED BY BILLER, REQUESTING INVOICE APPROVAL. INTERMEDIARY
ALSO COMMUNICATES INVOICE STATUS TO BILLER. INTERMEDIARY
COMMUNICATION IS VIA WEB, EMAIL, FAX,
PHONE OR OTHER MEDIA AVAILABLE AT THE TIME.

410

FIG. 4c



C4. PAYER INVOICE DECISION: PAYER WANTS TO CHANGE INVOICE AMOUNT

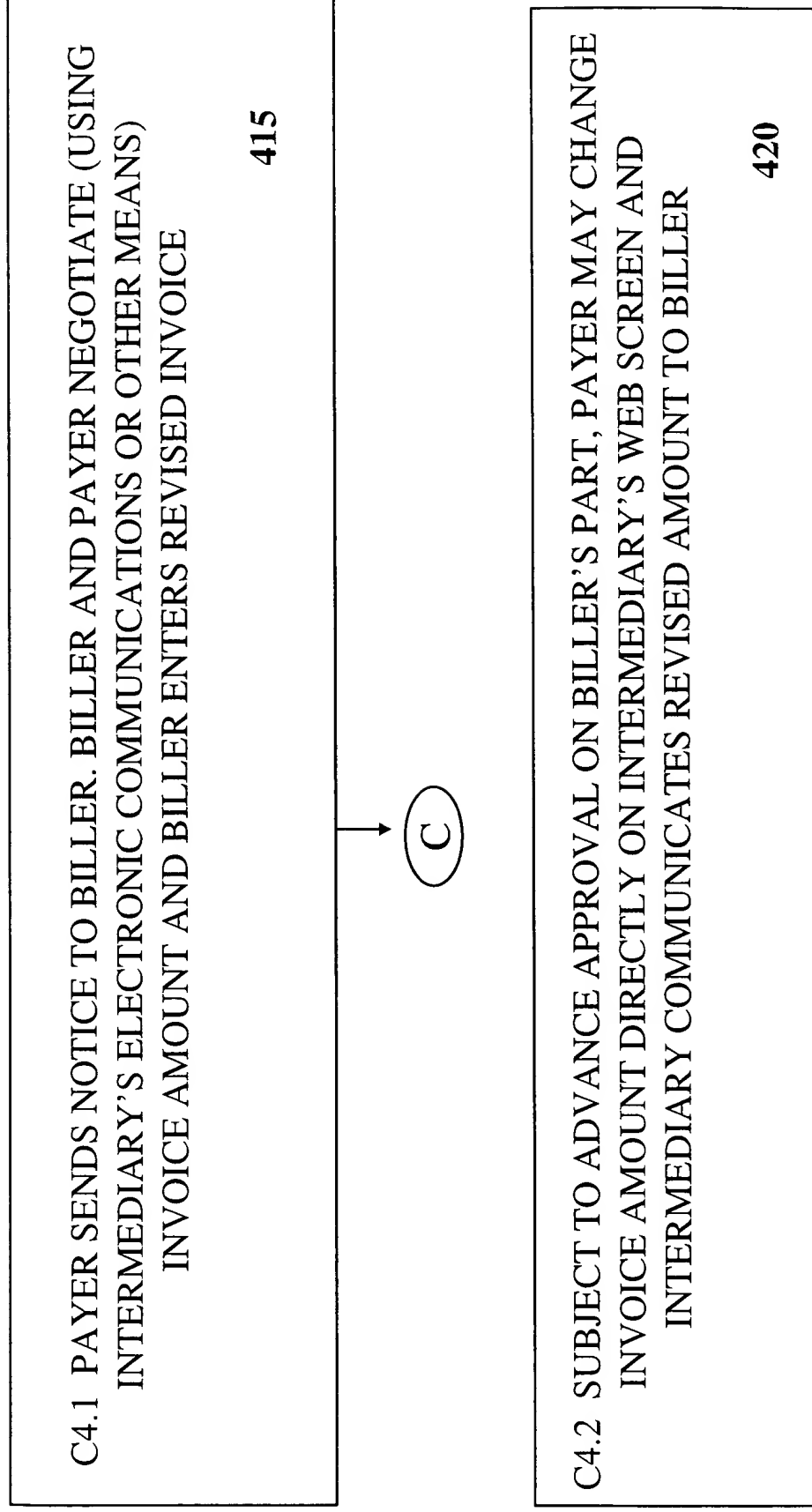


FIG. 4d

D. INTERMEDIARY PROCESSING OF INVOICES APPROVED BY PAYER (Payer agrees to pay and has funds)

INTERMEDIARY INITIATES A PAYMENT FOR THE INVOICE AMOUNT TO BILLER'S BANK ACCOUNT (VIA ELECTRONIC FUNDS TRANSFER SUCH AS AN ACH CREDIT) FROM INTERMEDIARY'S BANK ACCOUNT WITHIN 24 HOURS OF PAYER APPROVAL. INTERMEDIARY CALCULATES A DISCOUNT PERCENTAGE BASED ON THE INVOICE AMOUNT FOR PROVIDING THE SERVICE. THIS DISCOUNT IS COLLECTED AT MONTH END AS A LUMP SUM FROM THE BILLER TO AID IN RECONCILIATION 500

WHEN THE TIME APPROACHES FOR PAYMENT BY PAYER, INTERMEDIARY SENDS A SCHEDULED REMINDER NOTICE TO PAYER THAT THE INVOICE AMOUNT WILL BE WITHDRAWN ON DATE AGREED TO BY PAYER 505

60 DAYS AFTER INVOICE DATE, OR SUCH OTHER DATES AS AGREED TO BY PAYER, INTERMEDIARY TRANSFERS THE INVOICE AMOUNT FROM PAYER BANK ACCOUNT TO INTERMEDIARY BANK ACCOUNT VIA ELECTRONIC FUNDS TRANSFER SUCH AS ACH DEBIT 510

FIG. 5

E. EXCEPTION PROCESSING: PAYER REQUESTS DELAY IN PAYMENT TO INTERMEDIARY

PAYER ELECTS TO DELAY PAYMENT FOR UP TO 30 DAYS (OR OTHER TIME PERIOD AS AGREED TO WITH INTERMEDIARY) AT AN INTEREST RATE/FEE DETERMINED BY INTERMEDIARY. INTERMEDIARY NOTIFIES BILLER THAT PAYER HAS ELECTED TO DEFER PAYMENT.

600

INTERMEDIARY COMMUNICATES TO PAYER, UPON A SCHEDULE DETERMINED BY INTERMEDIARY, BEFORE DEBITING PAYER ACCOUNT THAT THE INVOICE AMOUNT WILL BE WITHDRAWN. INTERMEDIARY DETERMINES THE SCHEDULES FOR COMMUNICATION AND WITHDRAWAL

605

INTERMEDIARY TRANSFERS THE INVOICE AMOUNT FROM PAYER BANK ACCOUNT TO INTERMEDIARY BANK ACCOUNT VIA ELECTRONIC FUNDS TRANSFER SUCH AS ACH DEBIT

610

FIG. 6

F. EXCEPTION PROCESSING: PAYER IS NSF (DOES NOT HAVE SUFFICIENT FUNDS IN BANK ACCOUNT TO ALLOW WITHDRAWAL BY INTERMEDIARY)

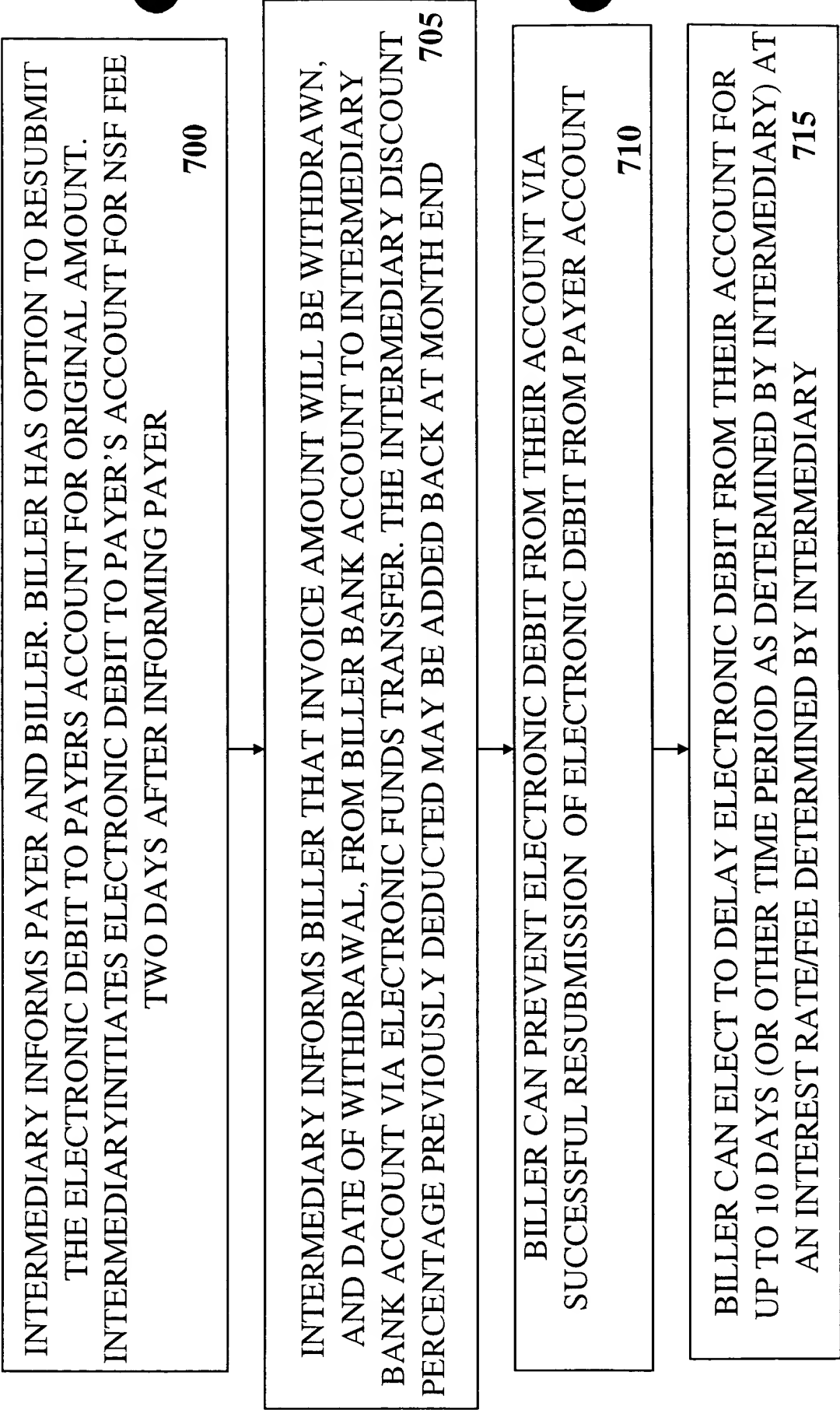


FIG. 7

G. EXCEPTION PROCESSING: BILLER IS NSF

INTERMEDIARY NEGOTIATES REVISED PAYMENT TERMS WITH BILLER INCLUDING
LENGTH OF PAYMENT EXTENSION AND INTEREST RATE

800

INTERMEDIARY COMMUNICATES REMINDER NOTICES TO BILLER THAT THE
INVOICE AMOUNT WILL BE WITHDRAWN VIA ELECTRONIC FUNDS TRANSFER
FROM BILLER'S ACCOUNT. THE SCHEDULE FOR REMINDER NOTICES AND
WITHDRAWAL DATES ARE DETERMINED BY INTERMEDIARY

805

INTERMEDIARY TRANSFERS THE REVISED PAYMENT AMOUNT (NEGOTIATED
ABOVE) FROM BILLER BANK ACCOUNT TO INTERMEDIARY BANK ACCOUNT VIA
ELECTRONIC FUNDS TRANSFER

810

FIG. 8

H. EXCEPTION PROCESSING: BILLER DEFAULTS

INTERMEDIARY INITIATES COLLECTIONS PROCEDURES AGAINST BILLER

900

FIG. 9

I. INTERMEDIARY SYSTEM FUNCTIONS: BILLER REPORTING

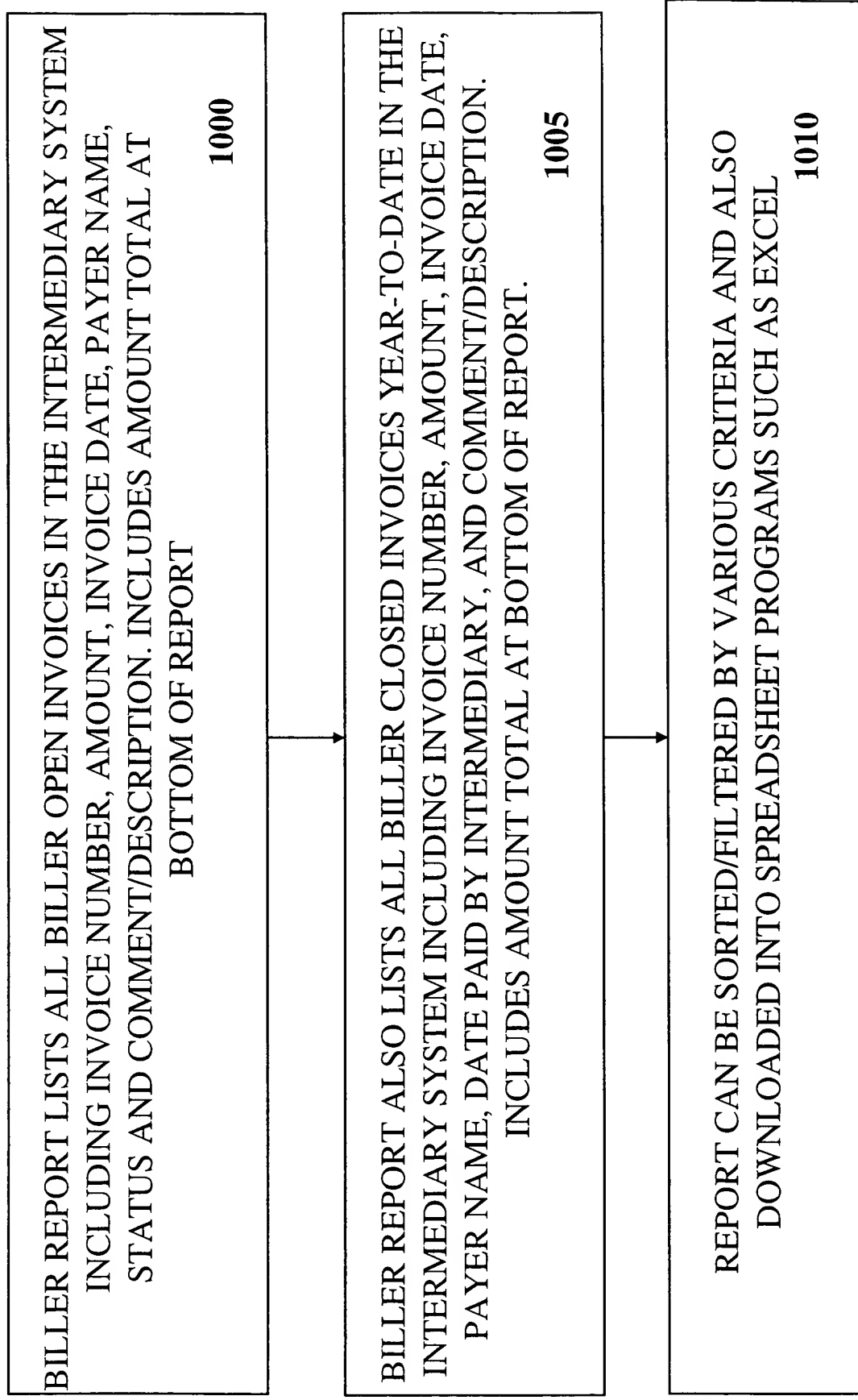


FIG. 10a

I.1 INTERMEDIARY SYSTEM FUNCTIONS: PAYER REPORTING

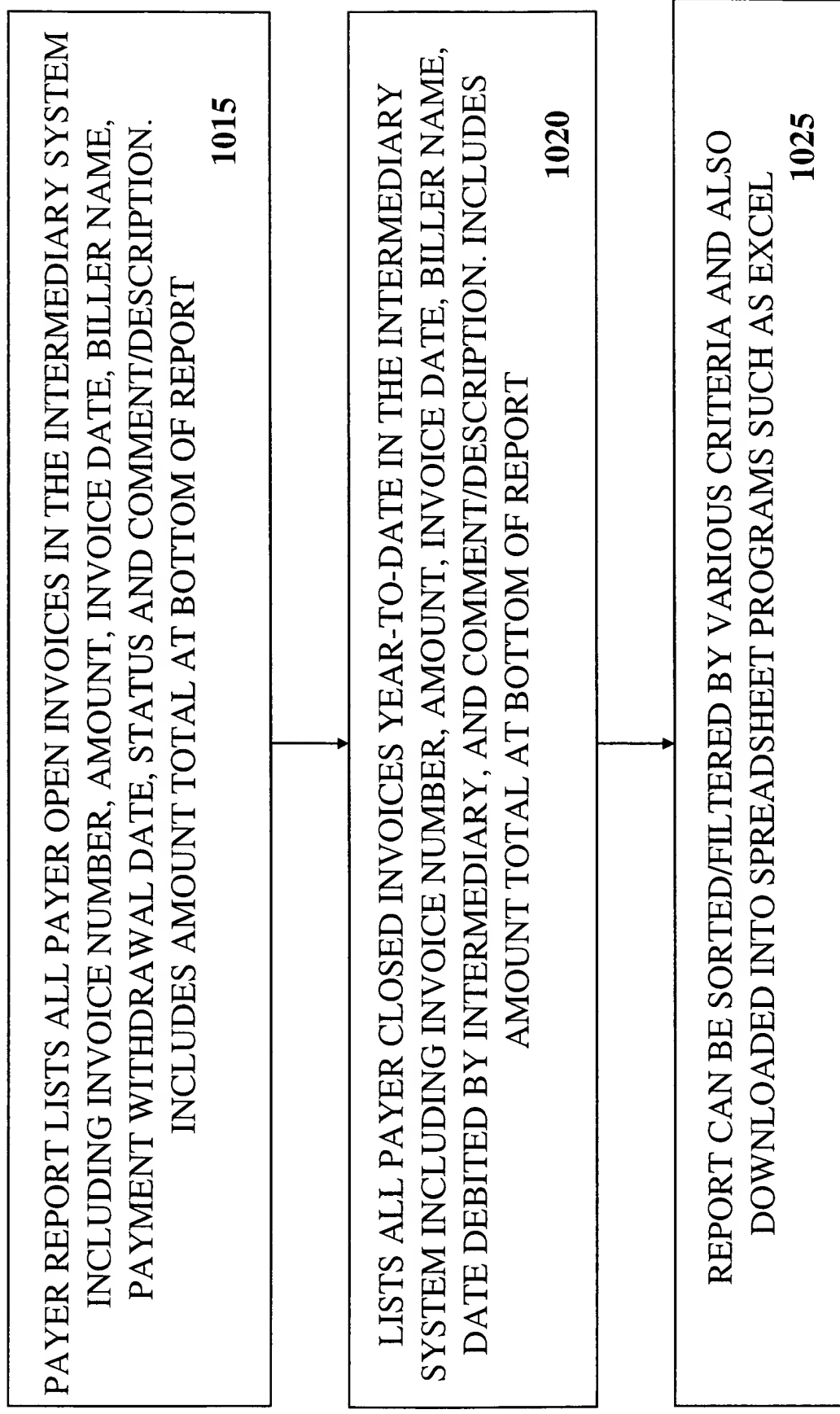


FIG. 10b

I.2 INTERMEDIARY SYSTEM FUNCTIONS: TRANSACTION REPORTING

BILLER TRANSACTION REPORT LISTS ALL BILLER BANK DEPOSITS AND WITHDRAWALS PERFORMED BY INTERMEDIARY VIA ELECTRONIC FUNDS TRANSFERS. INCLUDES AMOUNT, DEPOSIT/WITHDRAWAL DATE, PAYER NAME, INVOICE NUMBER AND DESCRIPTION. REPORT CAN BE SORTED/FILTERED BY VARIOUS CRITERIA AND ALSO DOWNLOADED INTO SPREADSHEETS SUCH AS EXCEL.

1030



PAYER TRANSACTION REPORT LISTS ALL PAYER BANK DEPOSITS AND WITHDRAWALS PERFORMED BY INTERMEDIARY VIA ELECTRONIC FUNDS TRANSFERS. INCLUDES AMOUNT, DEPOSIT/WITHDRAWAL DATE, BILLER NAME, INVOICE NUMBER AND DESCRIPTION. REPORT CAN BE SORTED/FILTERED BY VARIOUS CRITERIA AND ALSO DOWNLOADED INTO SPREADSHEETS SUCH AS EXCEL.

1035

FIG. 10c

J. INTERMEDIARY SYSTEM FUNCTIONS: INVOICE CREDITS

BILLERS CAN INITIATE INVOICE CREDITS FOR EXISTING INVOICES (NOT TO EXCEED THE INVOICE AMOUNT) AT ANY STAGE IN THE PROCESS UP UNTIL 4 DAYS BEFORE THE INVOICE AMOUNT IS SCHEDULED TO BE WITHDRAWN FROM THE PAYERS BANK ACCOUNT BY INTERMEDIARY 1100

IF THE CREDIT IS GIVEN BEFORE THE PAYER AUTHORIZES THE AMOUNT, THEN THE ORIGINAL INVOICE AMOUNT IS REDUCED BY THE AMOUNT OF THE CREDIT. THE CREDIT ADJUSTMENT IS DONE ON THE INTERMEDIARY WEB SITE BY THE BILLER 1105

IF THE CREDIT IS GIVEN AFTER THE PAYER AUTHORIZES THE AMOUNT, THEN INTERMEDIARY INITIATES A DEDUCTION FROM THE BILLERS BANK ACCOUNT FOR THE AMOUNT OF THE CREDIT. THE INTERMEDIARY DISCOUNT PERCENTAGE TIMES THE CREDIT AMOUNT IS ADDED BACK AT MONTH END 1110

INTERMEDIARY WILL ALSO ALLOW CREDITS IF NO INVOICE IS OUTSTANDING 1115

FIG. 11